

Policy Changes Go Into Effect July 1

Travel Advances

The policy for travel advances, FIACCT 10-02.01, Travel – Advances, has always allowed an advance to cover 90% of anticipated meals and incidental costs. However, because an advance for lodging was not addressed in policy, agencies have handled it in a variety of ways.

The policy will be modified to allow travel advances for 90% of anticipated lodging costs when the employee travels fewer than three times per year on state business and does not have a corporate credit card. It is recommended that an employee traveling more than three times per year have a corporate credit card and use it to pay travel costs, including lodging. The corporate card is not mandatory, but the employee traveling more than three times per year is not eligible for a cash advance. Any exception to this policy must be approved in writing by the department director or his designee.



It is standard industry practice for hotels/motels to require a deposit (around \$50) from cash-paying customers to cover charges over and above the room cost, e.g., telephone or room service. This inconvenience is avoided by paying with a credit card. Audits of travel advances have identified that some employees are receiving a cash advance for lodging costs and then actually paying for the room with a credit card. This practice defeats the objectives of the credit card program. These objectives include employee convenience, reduced need for travel advance cash funds, and reduced time spent reconciling advances to reimbursements.

A cash advance for renting a car **is not allowed** because car rental companies will not accept cash payments.

Private Vehicle Usage Rates

Effective July 1, 2004, the private vehicle reimbursement rate if a state vehicle **is available** will increase from 30 cents to 32 cents. The reimbursement rate if a state vehicle **is not available** will increase from 36 cents to 37.5 cents. The mileage rate for relocation reimbursements will increase from 12 cents to 14 cents. The mileage rate used to compare driving versus flying will increase from 30 cents to 32 cents. These increases are in line with rates established by the Internal Revenue Service.

These new rates will be incorporated into the mileage reimbursement forms by July 1. Forms for both the old and new rates will be available during the transition from old fiscal year to new fiscal year. When the new forms are available, you will be able to access them at www.finance.utah.gov/forms.

Follow Policy If You Choose to Drive Instead of Fly

As summer approaches, more travelers will choose to drive on business rather than fly. We want to remind everyone of the policies pertaining to driving a private vehicle rather than flying.

The complete state accounting policy, FIACCT 10-02.06, Travel – Reimbursements – Transportation, is available on the Finance Web site at www.finance.utah.gov.

Click on *Publications, Accounting Policies and Procedures*. Then either expand the hierarchy or do a word search to locate this policy.



Below are some details of the policy:

- The department director must approve the request to drive rather than fly, using Form FI 5, Request for Out of State Travel Authorization.
- The traveler will be reimbursed 30 cents per mile or the airline fare, whichever is less. (The mileage reimbursement rate will change to 32 cents per mile on July 1.) The airline fare is based on the lowest rate available for a 15 to 30 day advance reservation.
- The traveler may be reimbursed for meals and lodging for a reasonable amount of time; however, the total cost of the trip must not exceed the equivalent cost of the airline trip.
- Items such as parking, toll fees, etc. are included in the mileage rate and **will not** be reimbursed if the traveler chooses to drive a private vehicle.
- Travelers should contact the State Travel Office to obtain a comparison of the cost of airfare versus mileage. This is **required documentation** when the traveler chooses to drive rather than fly and must be attached to the traveler's reimbursement request.
- If the travel time taken for driving during the employee's normal work week is greater than that which would have occurred had the employee flown, the excess time used will be taken as annual leave and deducted on the Payroll System. ➔

These Policies Change July 1 (article continues from page 1)

Lodging Reimbursement

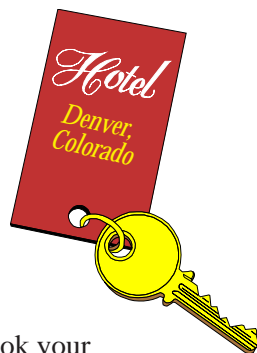
Layton will now be included with Ogden, Provo, and Orem in the exception to the standard \$55 plus tax lodging reimbursement. Employees will be reimbursed \$63 plus tax for lodging in these four cities. The new convention center scheduled to open in Layton this summer will honor this increased lodging per diem.

Policies Available on the Web

All Division of Finance policies are available at www.finance.utah.gov. Click on *Publications, Accounting Policies and Procedures*. Then either expand the hierarchy or do a word search to locate the policy of interest. These updated policies will be available July 1. If you have any questions, please contact Carol Young at 801-538-3100 or cyoung@utah.gov. ➔

Be Sure You Know the Policy for Booking Out-of-State Hotels

We would like to remind travelers that the policy for booking out-of-state hotels depends on whether you are staying at a conference hotel. The information below should help you decide the correct procedure for booking your hotel. For details see State of Utah Accounting Policy FIACCT 10-02.04, Travel – Reimbursement – Lodging at www.finance.utah.gov. Click on *Publications, Accounting Policies and Procedures*. Then either expand the hierarchy or do a word search to locate this policy.



Out-of-State Conference Hotel

If you are **staying at the conference hotel**, you may book your own hotel reservations. According to policy, the state will reimburse employees for the actual cost of the conference hotel room, plus tax.

Although you may book your own conference hotel, you should inform the State Travel Office of where you will be staying. When you book your air travel for the conference, please give the travel agent the name, address, and phone number for the conference hotel. This information will print out on your travel itinerary. For security purposes, the Department of Transportation and the Department of Homeland Security highly recommend that state government travel agencies print the hotel information on the traveler's itinerary. This will enable us to track our employees in case of an emergency.

Out-of-State Non-Conference Hotel

If you are **not staying at a conference hotel**, you may still book your own hotel. However, the state will reimburse employees only for the actual cost **up to \$65**, plus tax. If the State Travel Office books your hotel reservations, the state will reimburse the actual cost.

The agents in the State Travel Office are able to contact hotels all over the United States and get the best rate available.

If you have questions about booking out-of-state lodging, contact Diann Donoviel at 801-538-3103 or ddonoviel@utah.gov. ➔

Survey Shows Booking with Travel Agency Saves Funds

Topaz International compares business travel airfares booked through corporate travel agencies with airfares booked on various Internet sites, including Expedia, Travelocity, and Orbitz.

Topaz findings show that business travel itineraries booked by a designated corporate travel agency (like our State Travel Office) averaged \$69 less than the same itinerary booked on a public Internet site in 2003.

Corporations listed in the *Business Travel News* Corporate Travel 100 would have saved \$38 million annually by using their dedicated corporate travel management companies, versus booking their travel on public on-line sites.

For the past three years, the results have been very similar. Each year showed that when booking business travel, the traditional travel agencies obtain a lower or equal fare over 90% of the time. ➔

